

CSI Public Forum

July 30, 2010

The notes presented here are complimentary to the PowerPoint presentation presented at the Forum. Please refer to the PowerPoint presentation for background information.

Keys for reading the notes:

Q= Question from the public

A= Answers by Program Administrators and CPUC

1. CSI General Updates: CSI Progress toward Program Goals (Molly Sterkel)

Slide 8: CPUC Solicits Comment on Budget

Q: At which level will applications that are submitted right now be confirmed?

A: As always, you will receive the incentive rate that is current when your application is confirmed. Until the CPUC decides on new incentive levels, all applications will be submitted under the current incentive rates.

Q: Will the incentive level possibly increase?

A: It is unlikely given the budget concerns and the fact that the program was designed specifically to phase out the rebates.

Slide 9: CPUC Issued CSI Staff Proposal

- CPUC staff has been reviewing the CSI Program and is proposing revisions to about 40 issues.
- All proposed will be discussed publicly within the next 6-8 months (workshops will be held). The public can monitor proceedings by getting on CPUC's server list.
- CPUC is accepting comments on the prioritization of proposed revisions until Aug. 6th.

Q: How long will a decision on each of the proposed revisions take?

A: CPUC will tackle the proposed revisions consecutively based on the prioritization chart that is currently being reviewed by the public. Each proposed revision will be reviewed and a decision will be prepared by the CPUC within one month. After public commenting period, and a review of the public comments, the (possibly revised) decision will be passed and implemented.

Slide 14: CSI Program Data

Q: Is data for 2010 already available?

A: CSI staff is currently working on including 2010 data on the public export.

Q: Is the presented data based on DC watts or AC watts?

A: The data is based on AC watts.

Slide 18: 2009 CSI Impact Evaluation

Q: Is the data for 3rd party owned systems available online?

A: Yes. On the CA Solar Statistics website (www.californiasolarstatistics.org) there is a column for host customer and system owners through the public export.

Q: What is the Public Export?

A: On the CA Solar Statistics website, in the right-hand corner, there is a data download link which also goes by the name “Public Export”.

Slide 21: Expected vs. Actual Production

- The difference between “mean actual” and “mean expected” can be explained by tracking systems

Q: What exactly is this graph telling us?

A: The graph is comparing expected production data to actual production data for the different incentive structures (EPBB vs. PBI).

2. CSI Project Cost Data (Melanie McCutchan)

Slide 22: CSI Project Cost Data

- Project cost information will be included soon on the CA Solar Statistics website
- It is important to note that the data is for projects incentivized under the CSI program only
- The intention is to analyze the two goals of CSI: hit level of MW installed and drive market prizes down to abolish need of incentives.

Slide 23 & 24: Inflation Adjusted Installed Cost Over Time

- There has been a decrease in costs for installed systems over time.
- The decrease in cost is larger for bigger systems (>10kW). One possible explanation: economies of scale.

Slide 25: Cost vs. System Size

Q: Is the cost based on the systems already installed or current applications?

A: The cost is based only on installed projects.

Q: Is the graph using only CSI Systems?

A: Yes, the graph only includes CSI systems.

Comments from the public:

- Some companies have been taking advantage of uninformed solar customers charging \$30/Watt for a 1kW system. In other instances, specific projects had higher capital requirements. So this data is helpful because the customer should be able to go to the website and see how much they should be paying.
- High cost per watt need to be controlled better by CSI Program Administrators. When legislators in Sacramento see these numbers, they question the validity of the CSI Program.
- Suggestion: Combine charts "Cost vs. System Size" and " Inflation Adjusted Cost Distribution" and look at how many systems fall under each dollar amount.
- Suggestion: It could be more useful to separate the data by 2009 and 2010

Slide 26: Inflation Adjusted Cost Distribution

- Both residential and non-residential projects on average are between \$7-11/Watt-AC.
- The bump on the right hand side of the graph indicates that some third party financing companies were able to hit a higher price point.

Q: Does the data include self-installations?

A: Yes, the data includes self-installations.

Q: Is it possible to get an export filter on the graphs?

A: Yes, the CA Solar Statistics website is currently being updated to reflect cost per watt information.

3. Q&A (CCSE, PG&E SCE PA's)

Comments from the public:

- Fall protection and safety procedures need to be a mandatory requirement. There were two recent fatalities. All companies should have safety protection plans and enforce fall protection rules on employees. info@calseia.org for more information

Q: Are there free seminars for solar installations on new homes through CSI in SDG&E/ CCSE territory?

A: Solar projects for new homes are administered through SDG&E's New Solar Homes Partnership Program.

4. CSI Project Suspensions during Application Processing (CCSE, SCE & PG&E)

Slide 33-39: Reducing Suspended Projects

- PA's are bringing the issue to the forum because suspended projects take up a lot of time for the PA and applicant. PA's want to reduce the admin costs for both sides.

- Applicant please make sure to check that they submit all the required documents
- PA's suggest implementing a "common mistakes sheet" to give to contractors
- Around 37% of suspended projects are suspended due to interconnection issues.
 - Handbook states that the system has to be operational, meaning interconnected. Do not submit ICF before project has been interconnected!
 - PG&E is receiving more than 1,000 new applications per months so it is difficult to deal with interconnection issues
 - In some cases, ICFs are submitted before interconnection because they are about to expire. In this case, ask for an extension instead of submitting ICF before interconnection.

Comments from the public:

- It is hard to find the residential disclosure agreement. PowerClerk should have the documents available, instead of searching the web.
- Issues with the application process through SCE:
 - Long timelines: submitted contract on April 13th and the suspension came June 2nd. Applications are backlogged
 - PA's Customer Service: Emailing PA's but not getting a response. High turnover rate of PA's.
 - Some contractors had most of their applications rejected. Requirements are not clear (internally and externally) and are changing without notice.
 - Miscommunication from the PA's about reasons for suspension.
 - Received incorrect instructions. For example, requested RFP for a project that did not require one
 - Inconsistencies in how to deal with suspensions with other PA's (CCSE & PG&E): SCE "rejects" applications if they become suspended and they go back to the end of the line. Other PA's handle this differently. There needs to be one consistent manner.
 - All issues have led to clients losing rebates due to avoidable problems.
 - CALSEIA members are very frustrated with the backlog problem and lack of transparency. The issue is that suspensions only point out what contractors are not doing right, and doesn't acknowledge what the PA's are not doing correctly.
- Load justification requirements have become very complex; out of context.
- Why can't put "N/A" on disclosure?
- EPBB calculator should be calculating tracker information.
- Applicant should be able to see reasons for suspensions in PowerClerk. This would alleviate the issue of notification emails being overlooked, lost etc.

PA's response:

- Edison has taken several steps to address the backlog situation. Next time there's a public forum, SCE expect to see a lot of progress.
- SCE implemented Resolution Dispute Team: dispute forms can be found online. SCE has to deal with complaints based on a stringent timeline.

- SCE's goal is to review and confirm projects within 30 days.
- SCE's goal is to train all employees to be consistent. They are implementing more training and scripts.
- PA's are calling a special session to address inconsistency issues between processing methods.
- Tracking systems are being incorporated into the EPBB calculator.
- PA's are working on new feature in PowerClerk with which the applicants could see the reasons for suspension online in PowerClerk.

CPUC response:

- The backlog at SCE has been noticed
- PA's processing summits have helped to deal with inconsistencies in the past so the upcoming summit will iron out some issues
- One of the problems with Edison is that they hit the high point with the quantity of applications
- CPUC encourages feedback.

Q: The disclosure agreement seems redundant; why does someone lose their reservation over it?

A: The disclosure agreement is a requirement of the program. To ensure that you are attaching all the necessary documents, please use the checklist in PowerClerk.

Q: If I receive a suspension, why do I get kicked out of line? How does the customer know where they are at?

A: The queuing policy is the key focus for Edison right now.

Q: Please explain the new SCE process and the steps you are taking to address the backlog.

A: Gone to day and night shifts, 7 days a week, new staff members. Expects to see record numbers of confirmations coming out in the upcoming weeks.

Q: Who are suspension notices being sent out to? Applicant may change, so what is the procedure?

A: The host customer must notify the PA since they hold the rights to the application

Q: Have SCE process improvements begun for Pending Payment status? 30 days to cut a check?

A: SCE is regulated and cutting checks is not a normal procedure, so there is a certain regulatory process they must go through. They are however looking into ways to automate the process. The system is built more for purchase orders, so they need to find a way to streamline it.

Q: You cannot submit an incentive claim until it has been interconnected?

A: No, the system has to be "operational", meaning interconnected.

5. Future Changes to CSI Program (CCSE, SCE & PG&E)

Slide 40-42: Future Changes to CSI Handbook

- One-step application process: is allowed per Handbook but has not been built into PowerClerk yet. Will be included in PowerClerk soon.
- If you would like to use the 1-step application process, please contact your PA's about the process.

Comments from the public:

- Currently can only upload one EPBB; should allow for attachment of several EPBBs.

Q: Can you explain the one-step process?

A: The one-step process applies to projects that have already been interconnected. You can submit all the documents (RRF and ICF) at the same time.

Q: Will the file size limit that you can upload to PowerClerk be increased?

A: PA's will discuss with PowerClerk administrators.

Q: Will eliminating the mail option be specified in the Handbook?

A: Yes, it will be a statewide measure.

Q: Does each program administrator have different forms and required documents?

A: No.

Q: Is the one-step application only possible for SDG&E and PG&E?

A: No, it is statewide.

6. CSI Program Handbook Review (CCSE, SCE, PG&E & CPUC)

Slide 44: Limitations on Installed Costs

- PA's are starting to review cost per watt information to be able to monitor cost trends and verify if costs are going down.
- The calculated average cost in March was around \$9 per watt.
- The new soft cap rule specifies that a project cannot exceed \$14.70 per watt. If it exceeds this soft cap, the project will be suspended and PAs will ask applicant to clarify why the project costs more. Applicants/ installers have to come up with a "reasonable" justification.
- So far, CCSE has received 9 projects, PG&E had a few projects that needed justification.

Q: Can you track projects with too high costs to make sure you know if the same contractor is submitting these systems?

A: Yes, the PA's have started to compile this data.

Q: As rebates are reduced to a trivial amount, the cost of processing the rebate may be more than the rebate itself. Is there a discussion on a regulatory level in the state to create a more meaningful rebate program?

A: Rate payers are paying for the program, so they don't think it's a trivial amount of money. If it is trivial to you, you can choose not to apply. But the rebates will be there for those that think it is still helpful. If a customer can install solar without the rebate, then you may not need an incentive program.

Q: Has there been talk about freezing the rebates at the current incentive level?

A: Given current budgetary restraints, it is not likely. It is hard to judge at what step level people stop applying for the incentive as the talk about the CSI incentive not being worth the application process anymore has been around since Step 3 or so. We need to take the program step-by-step.

7. New Go Solar California Website (Molly Sterkel)

Slide 45-46: New Go Solar California Site

- The hope is that it's more intuitive than before and better linked to other websites.
- EPBB and other calculators are more integrated on the website.
- Goal is to make website a better consumer resource. Willing to take public feedback. Contact Toby Keith if you have suggestions for the website:
 - Tokeefe@energy-solutions.com
- Companies can be listed in the contractor database
- There is a box in right hand corner with statistics. Eventually automated updates will be incorporated.

8. CSI Low Income Update: SASH & MASH (Stan Greshner, Grid Alternatives and Agnes Stupak, CCSE)

Slide 48-57: SASH Program (Stanley Greschner)

Q: Who receives the incentives since Grid Alternatives is a non-profit and volunteers are doing the installation?

A: Homeowners assign the incentives to Grid Alternatives. Grid Alternatives provide the entire systems so they are covering system costs with the incentives as well as pay the professional staff that is present at every installation. In the case that incentive payments are higher than system cost and labor, the incentive is reduced. There is never more money paid to the host customer or Grid Alternatives than is needed for the installation.

Q: Can other contractors get involved with the SASH program?

A: Yes, please go to Grid Alternative's website and fill out sub-contractor application. It is a competitive process so it might not be feasible for all contractors.

Slide 58-67: MASH Program (Agnes Stupak)

- All MASH data is available on CPUC website.
- Currently 16 total applications under review in the state, with 0 in SDG&E territory.
- \$8.15/watt average cost.
- About 76% of applications are offsetting tenant loads.

Q: Timeline to determine if funds will be re-allocated from Track 2 to Track 1?

A: It is currently being discussed but it is difficult to say if and when this request will come through.

9. CSI Thermal Update (Katrina Phruksukarn)

Slide 68-80: CSI Thermal Update

- Natural gas and electric incentives are shown in dollar per therm displaced **per year**
- All information regarding the program is posted at www.gosolarcalifornia.org/solarwater

Q: Are other solar thermal technologies eligible?

A: Right now, only solar water heating systems that directly consume the solar heated water (as opposed to using it as a medium for some other process) are eligible. Examples of solar thermal technologies that do not directly consume solar heated water, and are therefore ineligible for a CSI-Thermal incentive, are space heating and space cooling.

Q: What separates large from small projects?

A: Initial small projects were considered 30 kW thermal and below, but the Program Administrators are proposing to increase that threshold to 250 kW thermal.

Q: Does eligibility include non-profits and government?

A: Yes, but they do not get a different incentive structure from the general market rate.

Q: How do you separate incentives for commercial system that work with hot water and space heating?

A: Space heating technology is currently not being incentivized through the CSI Thermal program so we need to isolate the energy used for hot water needs from the one used for space heating. The program only provides incentives for the hot water portion.

Q: What license is required?

A: A, B, C4, C36, and C46. All contractors need to attend a contractor training workshop offered from the PAs to be eligible for the program. The next contractor training in San Diego is on August 10th.

10. Q&A (CCSE, SCE, PG&E & CPUC)

Comments from the public:

- Biggest challenge currently for applicants is SCE's application processing method and the rejection of projects after suspensions. SCE was doing an excellent job until 6-8 month ago but lately customer service quality has gone down.
- SCE should have one person dedicated to each application through the entire step process (RRF, PPM and ICF)
- It would be helpful to have PAs run a survey with contractors on which processing method they like better.
- PG&E and CCSE do not enforce Rule 21, but SCE does, creating inconsistencies.

PA's & CPUC's response:

- SCE agrees with all the comments. Currently, the Handbook language is being interpreted differently between the PAs regarding the application processing methods and the PAs will get together at a summit to discuss how to align the processes.
- SCE struggles with the idea of having one person responsible for each application instead of the assembly line method. But the suggestion will be considered.
- PAs (though ODC, a process evaluation consultant) are considering doing an outreach piece to contractors.
- PG&E is doing a survey in the next few weeks to get feedback from the contractors.
- CPUC is aware of the Rule 21 problems. The rules have not been updated in a decades and will have to be reviewed.

Q: It helps to have a direct number to contact PAs. With PG&E, what is the time frame to expect a response?

A: Turn-around time for solar hotline and inbox is 2 days.

Q: Will CSI expand on the 1 MG site limit in the future?

A: It is currently being discussed but would require a statute change.